

In the Matter Of:

Grace Ocean Private Limited and Synergy Marine PTE LTD

YOKO NAKAGAWA

April 24, 2025



IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
NORTHERN DIVISION

- - -

IN THE MATTER OF THE : CIVIL NO.
PETITION OF : 24-00941-JKB
:
GRACE OCEAN PRIVATE : IN ADMIRALTY
LIMITED, as Owner of :
the M/V DALI and :
SYNERGY MARINE PTE :
LTD, as Manager of the :
M/V DALI, :
:
For Exoneration from :
or Limitation of :
Liability :

HIGHLY CONFIDENTIAL

- - -

April 24, 2025

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Videotaped deposition of
YOKO NAKAGAWA, taken pursuant to notice,
was held at the Baltimore Marriott
Waterfront, 700 Aliceanna Street,
Baltimore, Maryland, beginning at
9:08 a.m., on the above date, before
Michelle L. Ridgway, a Registered
Professional Reporter, Certified
Shorthand Reporter, Certified Realtime
Reporter, Certified Court Reporter, and
Notary Public.

1 A. Yes.

2 Q. And what is -- who is
3 Mr. Espino, and what does he do for the
4 company?

5 A. He is director of the
6 company, and he is a chief engineer. So
7 he is in charge of technical matters.

8 Q. Besides being a director,
9 is he an employee as well?

10 A. Yes.

11 Q. And his job title is
12 director?

13 A. Yes.

14 Q. He is a chief engineer
15 responsible for technical matters?

16 A. Yes.

17 Q. And the other name was --
18 was it Mr. Abe?

19 A. Yes.

20 Q. What was his first name?

21 A. Yoshimasa.

1 A. That would be Captain

2 Tagaan.

3 Q. Can you spell that.

4 A. T-A-G-A-A-N.

5 Q. Okay. And what does he do?

6 A. He was looking after -- he

7 is more of marine elevated matters,

8 cargo related. But he's not really

9 directly involved in the Dali.

10 Q. Okay. And who else?

11 A. That would be Mr. Min.

12 Q. Spell that, please.

13 A. M-I-N.

14 Q. What does Mr. Min do?

15 A. He is assisting Mr. Espino.

16 Q. We covered all the people

17 now? Is that all of them?

18 A. For the technical

19 operation, yes.

20 Q. Yes.

21 And tell me, do any of

1 those people assigned to supervise
2 oversee the Dali?

3 A. That would be Mr. Espino
4 and Captain Hontomin.

5 Q. How long have they been in
6 those roles?

7 A. They've been in the company
8 for more than ten years.

9 Q. And have they been in --
10 it's my appreciation that Grace Ocean
11 has owned the Dali for eight years,
12 maybe nine, from 2016?

13 A. We took over in 2016,
14 October. So yeah, around there, yes.

15 Q. And have they -- has
16 Mr. Espino and Mr. H --

17 A. Hontomin.

18 MR. WALSH: Captain H.

19 BY MR. JARRETT:

20 Q. Captain H.

21 Have they been in that role

1 for that entire period of time?

2 A. No.

3 Q. Who -- so was somebody else
4 in that role earlier?

5 A. So for Mr. Espino, he took
6 over in 2022.

7 Q. And who had that role
8 before him?

9 A. Mr. Antolin, A-N-T-O-L-I-N.

10 Q. Is Mr. Antolin still with
11 the company?

12 A. No.

13 Q. What about the other
14 general, Captain H?

15 A. No. He was in that role.

16 Q. He was. Okay. Good.

17 So we're going to see later
18 this morning that there are technical
19 reports provided by Synergy to Grace
20 Ocean with regularity; is that true?

21 A. Yes.

1 Q. Who within Grace Ocean is
2 responsible for reviewing those
3 technical reports?

4 A. It will be the technical
5 department.

6 Q. Which person?

7 A. Mr. Espino.

8 Q. Mr. Espino.

9 What about -- Ms. Nakagawa,
10 what about -- what documents have you
11 reviewed to get ready for today?

12 A. Charterer parties, those
13 addendums for charterer parties, ship
14 management agreements.

15 Can I --

16 Q. Sure.

17 A. May I -- yeah.

18 Q. So what you're looking at
19 now is you're kind enough -- you have a
20 binder in front of you to help. We'll
21 use that today. And you've given me a

1 Q. If the person at Grace
2 Ocean who is responsible for tracking
3 whether the vessels are in compliance
4 with class would be Mr. Espino?

5 A. Yes.

6 Q. How close are your offices
7 to Synergy's offices?

8 A. It's about 20-minute drive.

9 Q. 20 minutes?

10 A. Yes.

11 Q. Are all of the
12 communications between Synergy and Grace
13 Ocean, do they all take place by e-mail?

14 A. E-mails, phone calls.
15 Sometimes there might be meetings.

16 Q. Okay. What kind of
17 meetings do you have? Are they regular
18 or sporadic?

19 A. It's not regular.

20 Q. Not regular.

21 Are there any in-person

1 Exhibit 89.)

2 BY MR. JARRETT:

3 Q. Ms. Nakagawa, we're going
4 to mark as the next exhibit, Number 89,
5 the time charter between Grace Ocean and
6 Maersk for the Dali. I believe it's
7 also in your notebook. It bears Bates
8 Numbers Petitioner 0271896 through
9 271942.

10 MR. JARRETT: For Valerie,
11 that is Document D.

12 BY MR. JARRETT:

13 Q. Ms. Nakagawa, I know you're
14 familiar with the document because it's
15 in your notebook. True enough?

16 A. Yes.

17 Q. Am I correct that ever
18 since Grace Ocean acquired the Dali, it
19 has been under charter to Maersk?

20 A. Yes. That's correct.

21 Q. It's under charter to

1 Maersk today?

2 A. Yes.

3 Q. And it has been since 2016?

4 A. Yes.

5 Q. Why did Grace Ocean acquire

6 the Dali?

7 A. It's been -- the Dali was
8 on the market, and it's been introduced
9 by our brokers.

10 Q. And why was it attractive
11 to the company?

12 A. Because I think, at that
13 time, we had few ships, but they were
14 all secondhand. And this vessel was
15 almost a new -- a new build, I think.

16 And it's -- I think
17 generally having Maersk charter is very
18 attractive.

19 Q. And one ways to get Maersk
20 as a charter, is to provide them with,
21 essentially, a new build?

1 Q. And how does Grace Ocean go
2 about satisfying its obligation to keep
3 the vessel in class?

4 A. We delegate that to
5 Synergy.

6 Q. How active a role does
7 Grace Ocean play in supervising
8 Synergy's work in this respect?

9 A. So I have mentioned
10 earlier, like, our technical, he would
11 --

12 Q. That's Mr. Espino?

13 A. Yes. Yes.

14 He would review the class
15 status on web portal every day. And
16 there will be inspection reports coming.
17 If there's any PSC inspection,
18 third-party inspections.

19 And the Synergy technical
20 superintendents, they would visit the
21 vessel, like, few times a year. And --

1 Q. And we can look through all
2 of that if we want, but, essentially,
3 what this tells us in this paragraph is
4 that the charterers' obligations include
5 things like paying for the vessel fuel;
6 isn't that true?

7 A. Yes.

8 Q. Making all the arrangements
9 for cargo; isn't that true?

10 A. Yes.

11 Q. And because the charterer
12 makes the arrangements for cargo, they
13 are also entitled to the freight that's
14 paid; isn't that true?

15 A. Yes.

16 Q. And they pay for all the
17 port-related expenses; isn't that right?

18 A. They are paying.

19 Q. They pay for the port
20 expenses?

21 A. Yes.

1 Q. And the port expenses
2 include things like dockage fees, right?

3 A. Yes.

4 Q. Include things like
5 pilotage, right?

6 A. Yes.

7 Q. Things like tugs, right?

8 A. Yes.

9 Q. Things like launches,
10 right?

11 A. Yes.

12 Q. Okay. It says that right
13 there. I'm looking in Section 6(h),
14 where it says they pay for port charges,
15 canal dues, pilotage, towage, consular
16 charges, watchmen, guards, et cetera.

17 Do you see that?

18 A. Yes.

19 Q. The point is that Maersk
20 pays for all the port-related expenses
21 because Maersk is the company that

1 decides where the vessel is going to go;

2 isn't that true?

3 A. Yes.

4 Q. And they arrange for the
5 cargo that needs to be delivered there
6 or picked up there; is that right?

7 A. Yes. Yes.

8 Q. Is it -- so to say it
9 another way, it's also true that Grace
10 Ocean is not responsible for arranging
11 the cargo; is that right?

12 A. Yes.

13 Q. And they -- it's also true
14 to say that Grace Ocean is not
15 responsible for paying the port
16 expenses?

17 A. Yes.

18 Q. And it's also, in the same
19 -- the same point is true for Synergy.
20 Synergy is not responsible for arranging
21 of the cargo, right?

1 A. Yes.

2 Q. Synergy is not responsible
3 for identifying the ports of call?

4 A. It's Maersk.

5 Q. Maersk does that.

6 A. Yes.

7 Q. What Maersk tells -- that's
8 the question. I don't know the answer.

9 When the schedule for the
10 Dali is being made, Maersk makes the
11 schedule, right?

12 A. Yes.

13 Q. Do they provide that
14 information first to Grace Ocean or do
15 they provide it directly to Synergy?

16 A. They would provide it to
17 the vessel.

18 Q. To the vessel?

19 A. Yes.

20 Q. It's also true that,
21 because Maersk is arranging for the

1 cargo and identifying the ports of call,
2 that Maersk is also responsible for
3 generating the stowage plan?

4 A. Yes.

5 Q. And to generate the stowage
6 plan, they have to take into account
7 things like vessel stability?

8 A. Yes.

9 Q. And also issues like
10 efficiency, where you should stow the
11 containers in order to make the
12 onloading and offloading more efficient?

13 A. Yes.

14 Q. All of those decisions are
15 made by Maersk?

16 A. Yes.

17 Q. If you look on the page at
18 the bottom where it says 904 in the
19 lower right-hand corner?

20 MS. CARLSON: He means
21 these little numbers.

1 Q. When Maersk sends
2 inspectors to the vessel, do they
3 produce a written report?

4 A. They do.

5 Q. Is that written report
6 provided to Grace Ocean?

7 A. They do, through Synergy.
8 Yes.

9 Q. So tell me how that works.
10 Maersk would give the report to Synergy
11 and Synergy would give it to you?

12 A. Yes.

13 Q. And why do you get those
14 reports but not the reports from
15 Synergy's technical managers?

16 A. Why? Because Maersk is our
17 client, and normally when they arrange
18 inspection, they would seek our consent
19 to do that.

20 Q. That's required?

21 A. Yes.

1 Q. They have to get your
2 consent?

3 A. Yes. So that -- I think
4 that is also the reason why they provide
5 the report to us.

6 Q. I see.

7 A. Yeah. And for Synergy, as
8 long as we don't -- as long as there's
9 no issue, we don't require them to
10 provide their report.

11 Q. When Maersk provides copies
12 of its inspections to Grace Ocean, who
13 reviews them?

14 A. It would be our --
15 Mr. Espino and Captain Hontomin.

16 Q. Captain who?

17 A. H.

18 Q. Captain H? Got it.

19 And you keep copies of
20 those?

21 A. Yes.

1 Do you see that?

2 A. Yes.

3 Q. Am I correct that under the
4 charter agreement between Grace Ocean
5 and Maersk that Grace Ocean is obligated
6 to maintain insurance coverage for the
7 vessel?

8 A. Yes.

9 Q. And then insurance
10 ordinarily, in this case, takes two
11 forms, a hull policy and a protection
12 and indemnity policy, right?

13 A. Yes.

14 Q. Did Grace Ocean satisfy
15 this obligation?

16 A. Yes, we have.

17 Q. And how did you do that?

18 A. We have placed H&M -- for
19 H&M, we have placed a vessel with AIG
20 insurance.

21 And for P&I, we have placed

1 a vessel with Britannia Steamship
2 insurance.

3 Q. Is the vessel still covered
4 by Britannia Steamship Mutual?

5 A. Yes.

6 Q. Do you know the limits of
7 coverage?

8 A. I would need to refer to
9 the insurance policy.

10 Q. Say it again.

11 A. I have to refer to the
12 insurance policy.

13 Q. You don't have that with
14 you today, though?

15 A. No.

16 Q. Okay. Look at Page 911,
17 please. Do you see in Clause 24, titled
18 "Dry-Docking."

19 Do you see that?

20 A. Yes.

21 Q. And the first sentence

1 dry-docking to the vessel manager; is
2 that right?

3 A. Yes.

4 Q. Does Grace Ocean take an
5 active role in the dry-docking?

6 A. Active? We would be active
7 like --

8 Q. Well, you pay for it,
9 right?

10 A. Yes, we do.

11 Q. Do you take an active role
12 in deciding what happens to the dry dock
13 and what doesn't happen?

14 A. No.

15 Q. Who at Grace Ocean would be
16 responsible for monitoring the work
17 that's done in dry dock?

18 A. That would be our technical
19 team.

20 Q. Headed by Mr. Espino?

21 A. Yes.

1 ship management agreement.

2 (Document marked for

3 identification as Nakagawa

4 Exhibit 90.)

5 BY MR. JARRETT:

6 Q. Ms. Nakagawa, I'm giving

7 you Exhibit 90, which is the ship

8 management agreement that we've been

9 provided for the Dali. And it carries

10 Bates Numbers Petitioner 0010956 through

11 and including 0010977.

12 MS. CARLSON: Do you have

13 a letter?

14 MR. JARRETT: The letter

15 is E, as in echo.

16 BY MR. JARRETT:

17 Q. Is this one of the

18 documents, Ms. Nakagawa, that you

19 reviewed in preparation for today?

20 A. Yes.

21 Q. And on the cover page, we

1 A. Iyengar.

2 Q. Iyengar.

3 And do you know if he's
4 still someone with Synergy?

5 A. I don't think he is.

6 Q. Don't think he is.

7 Do you see his designation
8 as technical manager?

9 Do you see that?

10 A. Yes.

11 Q. Who is in the role for
12 technical manager for Synergy today?

13 A. That's Mr. Karthik Nair.

14 Q. Mr. Nair.

15 Let's go to the next page,
16 please. 957.

17 This is the first page of
18 the original agreement; am I right?

19 A. Yes.

20 Q. And I see that the
21 company -- and the word "company" in

1 this agreement refers to Grace Ocean

2 Private Limited, right?

3 A. Yes.

4 Q. And the term manager

5 applies to Synergy Marine Private

6 Limited, right?

7 A. Yes.

8 Q. And I see that the company

9 is appointing the manager to provide,

10 quote, marine services, closed quote.

11 Do you see that?

12 A. Yes.

13 Q. What's your understanding

14 of marine services?

15 A. I think it is identified as

16 basic services.

17 Q. Got it.

18 That is an appendix to the

19 agreement?

20 A. No. It's on the next page.

21 Q. Next page?

1 A. Yeah, 1.3.

2 Q. So 1.3 identifies that the
3 manager is going to provide both basic
4 services and additional services; am I
5 right?

6 A. Yes.

7 Q. And basic services are
8 identified in Annex 1 of the agreement;
9 is that so?

10 A. Yes.

11 Q. And additional services
12 are, presumably, anything there has to
13 do that are outside of Annex 1; is that
14 so?

15 A. Yes.

16 Q. We can see in Paragraph
17 1.4, additional services earn an extra
18 fee for Synergy Marine, right?

19 A. Yes.

20 Q. Look at 1.2, if you would,
21 please. That's at the top of Page 958.

1 Do you see that?

2 A. Yes.

3 Q. And as I appreciate it, it
4 looks like, to me, like Grace Ocean
5 makes two payments every month to
6 Synergy; is that right?

7 A. No. We make one payment a
8 month.

9 Q. One payment.

10 It says that -- here, that
11 Synergy earns a monthly management fee.

12 Do you know what that is?

13 A. Yes.

14 Q. How much is that?

15 A. Currently, it's more than
16 11,000.

17 Q. \$11,000 a month?

18 A. It's -- yeah. About that.

19 Q. About that?

20 A. Yes.

21 Q. And then it also pays to

1 Synergy, that is, Grace Ocean, a monthly
2 lump sum working capital.

3 Do you see that?

4 A. Yes.

5 Q. Tell me how that is
6 determined.

7 A. Working capital, it's
8 derived from annual operating expenses.
9 Then it will be paying them on a monthly
10 basis. And it consists of crew pay,
11 crew wages, spare parts, repair
12 maintenance, consumable stores, and
13 miscellaneous.

14 Q. So do I understand the
15 process to be that every year, Synergy
16 will generate a budget for each vessel?

17 A. Yes, they do.

18 Q. Grace Ocean reviews and
19 approves the budget?

20 A. Yes.

21 Q. Then we take that budget

1 and we divide it by 12?

2 A. Yes.

3 Q. And we pay 1/12 of that
4 budget every month?

5 A. Yes.

6 Q. And we add to that the
7 monthly management fee?

8 A. Yes.

9 Q. Got it.

10 What about for additional
11 services, is that paid in the same -- in
12 the same money transfer or is that
13 separate?

14 A. It's paid together.

15 Q. You add them all up?

16 A. Yes.

17 Q. And you cut one wire
18 transfer?

19 A. Yes.

20 Q. Is that the way it works?

21 A. Yes.

1 Q. Is that something that you
2 actually do yourself?

3 A. I arrange payments.

4 Q. What is the approximate
5 monthly lump sum working capital? You
6 can give me a ballpark. I'm not
7 interested in the exact number.

8 A. About 200,000.

9 Q. About 200,000.

10 Is it -- is the way this
11 arrangement works is that if Synergy
12 manages the vessel in an efficient way
13 in order to beat the budget, they get to
14 keep the difference?

15 A. They are keeping, yes.

16 Q. Yes.

17 So if Synergy manages it
18 efficiently, and able to beat the
19 budget, the difference, the delta, is
20 theirs to keep?

21 A. Yes.

1 Q. Go over to Page 961, if you
2 would, please.

3 A. 96?

4 Q. 961.

5 A. 961.

6 Q. Do you see Section 5.3?

7 A. Yes.

8 Q. This is another
9 confirmation in this agreement that
10 Grace Ocean is to provide the insurance
11 protection for the vessel?

12 A. Yes.

13 Q. And again, that insurance
14 protection includes both the hull
15 policy, does it not?

16 A. Yes.

17 Q. It includes the protection
18 and indemnity policy, does it not?

19 A. Yes.

20 Q. And if you look at the next
21 page, 5.3.3, do I read that correctly to

1 say that Grace Ocean is obligated to
2 list Synergy Marine as a joint insured
3 on the policies?

4 A. Yes.

5 Q. So that for Synergy's
6 purposes, and for Synergy's protection,
7 it can look to the same policies for
8 coverage that Grace Ocean looks to?

9 A. Yes.

10 Q. Look, if you would, please,
11 at Section 7.2.

12 Do you see, as I read that
13 first sentence there, it appears to me
14 that Synergy has no liability to Grace
15 Ocean for any loss of profits that might
16 be associated with Synergy's performance
17 of the management agreement; is that
18 right?

19 A. Unless it is resulted from
20 negligence.

21 Q. Unless it's resulted from

1 Q. Am I right?

2 A. Yes.

3 Q. So look at -- look to,
4 Paragraph 7.3.

5 And this says, in Paragraph
6 3, that the company will defend and
7 indemnify Synergy from any claims that
8 are made that occur out of Synergy's
9 management and operation of the Dali.
10 Isn't that right?

11 A. Yes.

12 Q. And so what that means, in
13 practice, is that Grace Ocean will be
14 indemnifying Synergy for any claims made
15 against Synergy in this lawsuit?

16 MS. CARLSON: Objection.

17 BY MR. JARRETT:

18 Q. You can answer.

19 A. Yes.

20 Q. So what I conclude from
21 Paragraph 7.2 and 7.3 is that Synergy

1 Marine doesn't have any independent
2 exposure to claims being made as a
3 result of the allision; isn't that true?

4 MS. CARLSON: Objection.

5 Go ahead.

6 THE WITNESS: Yes.

7 BY MR. JARRETT:

8 Q. So let's talk a little bit
9 about the basic services that are
10 identified in Annex 1 to the agreement.

11 That's Page 966.

12 And this first section
13 talks about crew employment and
14 management.

15 Do you see that?

16 A. Yes.

17 Q. And the first sentence
18 says, quote, the Manager shall provide
19 suitably qualified crew for the vessel
20 as required by the company."

21 Do you see that?

1 A. Yes.

2 Q. What does the company
3 require?

4 A. According to the
5 regulations, such as STCW.

6 Q. STCW?

7 A. Yes.

8 And all the other
9 regulations that's in place.

10 Q. Is there a writing
11 somewhere that Grace Ocean gave to
12 Synergy that provides Grace Ocean's
13 expectations with respect to management?

14 A. No.

15 Q. I asked the question wrong.

16 Is there a document
17 somewhere that Grace Ocean provided to
18 Synergy that identified Grace Ocean's
19 expectations with regard to manning of
20 the vessel?

21 A. No.

1 part Roman numeral 5, V. Or number 4.

2 Roman numeral Number 4?

3 A. Yes.

4 Q. Does Grace Ocean check up
5 on Synergy in that respect?

6 A. We don't.

7 Q. What about does Grace Ocean
8 have -- exercise any rights of -- to
9 accept or reject officers aboard the
10 Dali?

11 A. We can, but we have never
12 exercised that.

13 Q. You can, but you have never
14 done that?

15 A. No.

16 Q. Does Synergy have to
17 provide Grace Ocean with the
18 qualifications of the crew members
19 assigned to the vessel?

20 A. No. But if we request,
21 they will provide.

CERTIFICATE

I HEREBY CERTIFY that the witness was duly sworn by me and that the deposition is a true record of the testimony given by the witness.

It was requested before completion of the deposition that the witness, YOKO NAKAGAWA, have the opportunity to read and sign the deposition transcript.



MICHELLE L. RIDGWAY,
A Registered Professional
Reporter, Certified Shorthand
Reporter, Certified Realtime
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Dated: May 5, 2025

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